

Registered number: 06237847

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**BRIGHTCOVE UK LTD**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BRIGHTCOVE UK LTD**  
**REGISTERED NUMBER: 06237847**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	4	50,471	73,583
Investments	5	10,091	10,091
		<u>60,562</u>	<u>83,674</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	197,816	-
Debtors: amounts falling due within one year	6	4,281,976	3,811,698
Cash at bank and in hand	7	561,668	610,508
		<u>5,041,460</u>	<u>4,422,206</u>
Creditors: amounts falling due within one year	8	(1,596,850)	(1,297,421)
<b>Net current assets</b>		<u>3,444,610</u>	<u>3,124,785</u>
<b>Total assets less current liabilities</b>		<u>3,505,172</u>	<u>3,208,459</u>
Creditors: amounts falling due after more than one year	9	(437,711)	(437,711)
<b>Net assets</b>		<u><u>3,067,461</u></u>	<u><u>2,770,748</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		3,066,461	2,769,748
		<u><u>3,067,461</u></u>	<u><u>2,770,748</u></u>

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**BRIGHTCOVE UK LTD**  
**REGISTERED NUMBER: 06237847**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

*Robert Noreck*

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**R J Noreck**

Director

Date: 4/3/2023 | 5:07:30 PM EDT

The notes on pages 5 to 15 form part of these financial statements.

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**BRIGHTCOVE UK LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021 (as previously stated)	1,000	2,936,903	2,937,903
Prior year adjustment - correction of error	-	(167,155)	(167,155)
At 1 January 2021 (as restated)	<u>1,000</u>	<u>2,769,748</u>	<u>2,770,748</u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	296,713	296,713
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>296,713</u>	<u>296,713</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2021</b>	<u><u>1,000</u></u>	<u><u>3,066,461</u></u>	<u><u>3,067,461</u></u>

The notes on pages 5 to 15 form part of these financial statements.

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**BRIGHTCOVE UK LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020 (as previously stated)	1,000	2,402,926	2,403,926
Prior year adjustment - correction of error	-	(14,374)	(14,374)
At 1 January 2020 (as restated)	1,000	2,388,552	2,389,552
<b>Comprehensive income for the year</b>			
Profit for the year (restated)	-	381,196	381,196
<b>Total comprehensive income for the year</b>	-	381,196	381,196
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2020</b>	<b>1,000</b>	<b>2,769,748</b>	<b>2,770,748</b>

The notes on pages 5 to 15 form part of these financial statements.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Brightcove UK Ltd (the Company) is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The Company's registered office is 5 New Street, London, EC4A 3TW.

The principal activity of the company for the period was providing sales support to its parent undertaking.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Exemption from preparing consolidated financial statements**

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

**2.3 Going concern**

The Company meets the majority of its day-to-day working capital requirements through support from its ultimate parent company. Brightcove Inc., a company incorporated in the United States of America. Brightcove Inc. has confirmed to the Directors that it will continue to support the company for the foreseeable future.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP, rounded to the nearest £.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.5 Turnover**

Turnover comprises revenue recognised by the company in respect of amounts charged to the parent company under a sales and marketing agreement. Turnover is recognised when costs are incurred. Turnover is attributable to this one principal activity of the company.

**2.6 Operating leases: the Company as lessor**

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.10 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Computer equipment	- straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.16 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.18 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. Employees**

The average monthly number of employees, excluding directors, during the year was 62 (2020 - 56 as restated). The directors are not remunerated through the company.

## BRIGHTCOVE UK LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 4. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	47,574	86,953	293,827	428,354
Additions	-	-	18,582	18,582
At 31 December 2021	47,574	86,953	312,409	446,936
<b>Depreciation</b>				
At 1 January 2021	47,574	86,953	220,244	354,771
Charge for the year on owned assets	-	-	41,694	41,694
At 31 December 2021	47,574	86,953	261,938	396,465
<b>Net book value</b>				
At 31 December 2021	-	-	50,471	50,471
At 31 December 2020	-	-	73,583	73,583

## BRIGHTCOVE UK LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 5. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	10,091
At 31 December 2021	<u>10,091</u>

## Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Brightcove FZ-LLC	Dubai, United Arab Emirates	Sales Support	Ordinary	100%

## 6. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Other debtors	<u>197,816</u>	<u>-</u>
<b>Due within one year</b>		<i>As restated</i> 2020 £
Trade debtors	263,834	-
Amounts owed by group undertakings	3,793,459	3,174,192
Other debtors	16,085	237,187
Prepayments and accrued income	114,322	280,331
Deferred taxation	94,276	119,988
	<u>4,281,976</u>	<u>3,811,698</u>

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Cash and cash equivalents**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>561,668</b>	<i>610,508</i>

**8. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>As restated</i> <i>2020</i>
	<b>£</b>	<b>£</b>
Trade creditors	<b>4,802</b>	<i>33,907</i>
Corporation tax	<b>39,882</b>	<i>47,634</i>
Other taxation and social security	<b>305,781</b>	<i>259,828</i>
Accruals and deferred income	<b>1,246,385</b>	<i>956,052</i>
	<b>1,596,850</b>	<i>1,297,421</i>

**9. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Other creditors	<b>437,711</b>	<i>437,711</i>

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Share based payments**

As at 31 December 2021 the Company's parent, Brightcove Inc. had six share based compensation plans in which employees of the Company participate:

The Amended and Restated 2004 Stock Option and Incentive Plan (the 2004 Plan). The 2004 Plan and the 2012 Plan provided for the issuance of incentive and non-qualified stock options, restricted stock, and other equity awards to the Company's employees, officers, directors, consultants and advisors. In conjunction with the effectiveness of the 2012 Plan, the Board voted that no further stock options or other equity-based awards may be granted under the 2004 Plan.

The 2012 Stock Incentive Plan (the 2012 Plan). In 2012, the Company adopted the RSU Plan in connection with the acquisition of Zencoder. The restricted stock units were settled in shares of the Company's common stock upon vesting.

The Brightcove Inc. 2012 RSU Inducement Plan (the RSU Plan). The number of shares reserved and available for issuance under the 2012 Plan automatically increases each January 1, beginning in 2013, by 4% of the outstanding number of shares of the Company's common stock on the immediately preceding December 31 or such lesser number of shares as determined by the Company's compensation committee subject to an overall overhang limit of 30%. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization.

The Brightcove Inc. 2014 Stock Option Inducement Plan (the 2014 Stock Inducement Plan). In 2014, the Company adopted the 2014 Stock Inducement Plan in connection with the Unicorn asset purchase agreement.

The 2018 Inducement Plan (the 2018 plan). Effective April 11, 2018, the Company adopted the 2018 Plan. The 2018 Plan provides for the issuance of stock options and restricted stock units to the Company's Chief Executive Officer ("CEO").

On March 25, 2021, the Board adopted, the Brightcove Inc. 2021 Stock Incentive Plan (the "2021 Plan") which was approved by the shareholders on May 11, 2021. The maximum number of shares of stock reserved and available for issuance under the 2021 Plan is 6,200,000 shares.

**Restricted Stock Units**

The Company has entered into restricted stock unit (RSU) agreements with certain of its employees pursuant to the 2012 Plan and the 2021 Plan. Vesting occurs periodically at specified time intervals, ranging from three months to four years, and in specified percentages. Upon vesting, the holder will receive one share of the Company's common stock for each unit vested.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Prior year adjustment**

During the audit for the year ended 31 December 2021, a number of issues were identified relating to prior years.

Expenses relating to the subsidiary company of £249,717 were incorrectly included within administrative expenses for the year ended 31 December 2020.

Share based payment expenses of £57,846 (2019 and prior years £102,520) relating to non UK based employees of had been omitted from administrative expenses.

Provision for national insurance on outstanding share based payments as at 31 December 2020 was overstated by £311,828.

Rental income for the year ended 31 December 2020 was understated by £38,213.

Deferred tax asset was overstated by £129,706.

The total net impact on the results for the year ended 31 December 2020, including the impact on intercompany revenue and tax, is as follows:

Reduction in revenue - £569,008

Reduction in administrative expenses - £503,699

Increase in other income - £38,213

Increase in tax on profit - £125,685

Reduction in profit for the year - £152,781

Reduction in amounts due by group undertakings - £174,893

Reduction in accruals - £311,828

Reduction in accrued income - £158,905

Reduction in deferred tax asset - £129,706

Reduction in corporation tax - £15,479

Reduction in reserves £167,155 (including £14,374 relating to 2019 and prior years)

**12. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £127,807 (2020 - £121,143). Contributions totalling £25,230 (2020 - £21,680) were payable to the fund at the balance sheet date and are included in creditors.

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**BRIGHTCOVE UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**13. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	733,250	733,250
Later than 1 year and not later than 5 years	1,559,844	2,293,094
	<u>2,293,094</u>	<u>3,026,344</u>

At 31 December 2020 the Company had future minimum lease receipts due under non-cancellable operating sub-lease for each of the following periods:

	2021 £	2020 £
Not later than 1 year	729,250	364,625
Later than 1 year and not later than 5 years	1,508,042	2,281,094
	<u>2,237,292</u>	<u>2,645,719</u>

**14. Controlling party**

The company is a wholly owned subsidiary of Brightcove Inc., a company incorporated in the United States of America and registered at 290 Congress St, 4th Floor, Boston, MA 02210.

The largest and smallest group for which accounts have been prepared is that headed by Brightcove Inc. Copies of the group accounts can be obtained from [www.brightcove.com](http://www.brightcove.com).

**15. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 4 April 2023 by Karen Cairns (Senior Statutory Auditor) on behalf of Nortons Assurance Limited.